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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Uf 3-11-04

OMB APPROVAL

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hours per response..... 12.00

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER

8- 2668

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 11/1/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Transmittal Securities Corp.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

82 Wall St.

(No. and Street)

New York

(City)

NY

(State)

10005

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT who has audited this report*

Bernath & Rosenberg
PC

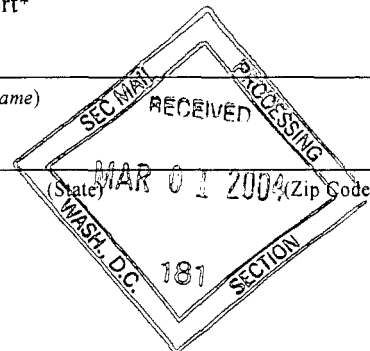
1140 AVENUE OF THE AMERICAS
NEW YORK, NY 10036-5803

(Name - if individual, last, first, middle name)

#13-3358774

(Address)

(City)



CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

FOR OFFICIAL USE ONLY

MAR 25 2004


THOMSON
FINANCIAL

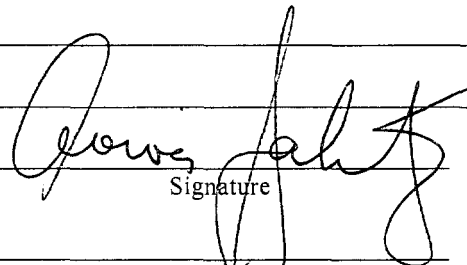
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SW

OATH OR AFFIRMATION

I, AVIVA JAKUBOWITZ, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TRANSMITTAL SECURITIES CORP., as of 12/31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Notary Public


Signature
Title

MIRIAM COHN
PRESIDENT
NOTARY PUBLIC, STATE OF NEW YORK
NO. 41-4911063
QUALIFIED IN ROCKLAND COUNTY
COMMISSION EXPIRES NOV. 2, 1993 2005

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

FORM X-17A-5

FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

PART II 11

10/85

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s):

1) Rule 17a-5(a) 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 25

NAME OF BROKER-DEALER

SEC FILE NO.

TRANSMITTAL SECURITIES CORP. 13

12-003602 14

FIRM ID. NO.

13-5629920 15

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

82 WALL ST. 20

FOR PERIOD BEGINNING (MM/DD/YY)

JAN 1, 2003 24

(No. and Street)

NEW YORK 21

NY 22

10005 23

(City)

(State)

(Zip Code)

AND ENDING (MM/DD/YY)

DEC. 31, 2003 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JACOB I. ROSENBERG 30

(Area Code)—Telephone No.

212-221-1140 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

32

34

36

38

OFFICIAL USE

33

35

37

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS?

YES ☒ 40

NO 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

☒ 42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the _____ day of _____ 19__

Manual signatures of:

1) _____
Principal Executive Officer or Managing Partner

2) _____
Principal Financial Officer or Partner

3) _____
Principal Operations Officer or Partner

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 781(a))

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

BERNATH + ROSENBERG P.C.

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (If individual, state last, first, middle name)

1140 AVE. OF THE AMERICAS NY NY 10036

ADDRESS

Number and Street

City

State

Zip Code

CHECK ONE

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States
or any of its possessions

FOR SEC USE

DO NOT WRITE UNDER THIS LINE... FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				

BROKER OR DEALER

TRANSMITTAL SECURITIES CORP

N 2

100

STATEMENT OF FINANCIAL CONDITION

As of (MM/DD/YY)

12/31/03

99

SEC FILE NO.

98

Consolidated

198

Unconsolidated

199

ASSETS

Allowable

Nonallowable

Total

1. Cash	\$ 184,537	200	\$ 184,537	750
2. Cash segregated in compliance with federal and other regulations	97,537	210	97,537	760
3. Receivable from brokers or dealers and clearing organizations:				
A. Failed to deliver:				
1. Includable in "Formula for Reserve Requirements"		220		
2. Other		230		770
B. Securities borrowed:				
1. Includable in "Formula for Reserve Requirements"		240		
2. Other		250		780
C. Omnibus accounts:				
1. Includable in "Formula for Reserve Requirements"		260		
2. Other		270		790
D. Clearing organizations:				
1. Includable in "Formula for Reserve Requirements"		280		
2. Other		290		800
E. Other		300	\$ 550	810
4. Receivables from customers:				
A. Securities accounts:				
1. Cash and fully secured accounts		310		
2. Partly secured accounts		320	560	
3. Unsecured accounts			570	
B. Commodity accounts		330	580	
C. Allowance for doubtful accounts		335	590	820
5. Receivables from non-customers:				
A. Cash and fully secured accounts	23,000	340		
B. Partly secured and unsecured accounts		350	600	830
6. Securities purchased under agreements to resell		360	605	840
7. Securities and spot commodities owned, at market value:				
A. Bankers acceptances, certificates of deposit and commercial paper		370		
B. U.S. and Canadian government obligations		380		
C. State and municipal government obligations		390		
D. Corporate obligations		400		

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

BROKER OR DEALER

TRANSMITTAL SECURITIES CORP

as of 12/31/03

STATEMENT OF FINANCIAL CONDITION

ASSETS

	Allowable	Nonallowable	Total
E. Stocks and warrants	\$ <u>5868</u> 410		
F. Options	420		
G. Arbitrage	422		
H. Other securities	424		
I. Spot commodities	430		\$ <u>5868</u> 850
8. Securities owned not readily marketable:			
A. At Cost \$ <u>130</u>			
B. At estimated fair value	440	\$ <u>2340</u> 610	<u>2340</u> 860
9. Other investments not readily marketable:			
A. At Cost \$ <u>140</u>			
B. At estimated fair value	450	620	870
10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$ <u>150</u>			
B. Other \$ <u>160</u>	460	630	890
11. Secured demand notes - market value of collateral:			
A. Exempted securities \$ <u>170</u>			
B. Other \$ <u>180</u>	470	640	890
12. Memberships in exchanges:			
A. Owned, at market value \$ <u>190</u>			
B. Owned at cost		650	
C. Contributed for use of company, at market value		660	900
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	670	910
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements:			
At cost (net of accumulated depreciation and amortization)	490	680	920
15. Other Assets:			
A. Dividends and interest receivable	500	690	
B. Free shipments	510	700	
C. Loans and advances	520	710	
D. Miscellaneous	530	720	930
16. TOTAL ASSETS	\$ <u>510942</u> 540	\$ <u>1689</u> 740	\$ <u>314971</u> 940

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

FRANKMILLER SECURITIES CORP

as of 12 31 / 83

STATEMENT OF FINANCIAL CONDITION

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I.</u> <u>Liabilities *</u>	<u>Non-A.I.</u> <u>Liabilities *</u>	<u>Total</u>
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements"	\$ 1030	\$ 1240	\$ 1460
B. Other	1040	1250	1470
18. Securities sold under repurchase agreements		1260	1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements"	1050	1270	1490
2. Other	1060	1280	1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements"	1070		1510
2. Other	1080	1290	1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements"	1090		1530
2. Other	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements"	1100		1550
2. Other	1105	1310	1560
E. Other	1110	1320	1570
20. Payable to customers:			
A. Securities accounts - including free credits of	\$ 950	1120	1580
B. Commodities accounts	1130	1330	1590
21. Payable to non customers:			
A. Securities accounts	1140	1340	1600
B. Commodities accounts	1150	1350	1610
22. Securities sold not yet purchased at market value - including arbitrage of	\$ 960	1360	1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable	1160		1630
B. Accounts payable	1170		1640
C. Income taxes payable	200 1180		1650
D. Deferred income taxes	2373 1190	1370	1660
E. Accrued expenses and other liabilities	2573 1200		1670
F. Other		1380	1680

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*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

TRANSMITTAL SECURITIES CORP

as of **12/31/03**

STATEMENT OF FINANCIAL CONDITION

LIABILITIES AND OWNERSHIP EQUITY (continued)

<u>Liabilities</u>	<u>A.I. Liabilities *</u>	<u>Non-A.I. Liabilities *</u>	<u>Total</u>
24. Notes and mortgages payable			
A. Unsecured	\$ 1210	\$	1690
B. Secured	1211	1390	1700
25. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings		1400	1710
1. from outsiders \$ 970			
2. Includes equity subordination (15c3-1 (d)) of \$ 980			
B. Securities borrowings, at market value;		1410	1720
from outsiders \$ 990			
C. Pursuant to secured demand note collateral agreements;		1420	1730
1. from outsiders \$ 1000			
2. Includes equity subordination (15c3-1 (d)) of \$ 1010			
D. Exchange memberships contributed for use of company at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
26. TOTAL LIABILITIES	2573 1230	1450	2573 1760

Ownership Equity

27. Sole proprietorship	\$	1770
28. Partnership- limited partners	\$ 1020	1780
29. Corporation:		
A. Preferred stock		1791
B. Common stock	140 000	1792
C. Additional paid-in capital		1793
D. Retained earnings	172 398	1794
E. Total	312 398	1795
F. Less capital stock in treasury		1796
30. TOTAL OWNERSHIP EQUITY	\$ 312 398	1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$ 314 971	1810

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*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

TRANSMITTAL SECURITIES COAP

as of 12/31/03

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	312,398	3480
2. Deduct: Ownership equity not allowable for net capital			3490
3. Total ownership equity qualified for net capital		312,398	3500
4. Add			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B. Other (deductions) or allowable credits (List)			3525
5. Total capital and allowable subordinated liabilities	\$		3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Note B and C)	\$		3540
1. Additional charges for customers' and non-customers' security accounts			3550
2. Additional charges for customers' and non-customers' commodity accounts			3560
B. Aged fail-to-deliver:			3570
1. Number of items		3450	
C. Aged short security differences-less reserve of	\$	3460	3580
number of items		3470	
D. Secured demand note deficiency			3590
E. Commodity futures contracts and spot commodities - proprietary capital charges			3600
F. Other deductions and/or charges			3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ..			3615
H. Total deductions and/or charges		4029	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	308,369	3640
9. Haircuts on securities: (computed, where applicable, pursuant to 15c3-1 (f)):			
A. Contractual securities commitments			3660
B. Subordinated securities borrowings			3670
C. Trading and Investment securities:			
1. Bankers' acceptances, certificates of deposit and commercial paper		47	3680
2. U.S. and Canadian government obligations			3690
3. State and municipal government obligations			3700
4. Corporate obligations			3710
5. Stocks and warrants		880	3720
6. Options			3730
7. Arbitrage			3732
8. Other securities			3734
D. Undue concentration			3650
E. Other (list)			3736
10. Net Capital	\$	307,442	3750

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

TRANSMITTAL SECURITIES CORP

as of 12-31-03

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$	<u>171</u>	<u>3758</u>
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	<u>250 000</u>	<u>3758</u>
13. Net capital requirement (greater of line 11 or 12)	\$	<u>250 000</u>	<u>3760</u>
14. Excess net capital (line 10 less 13)	\$	<u>57 442</u>	<u>3770</u>
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	<u>307 185</u>	<u>3780</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.L. liabilities from Statement of Financial Condition	\$	<u>2573</u>	<u>3790</u>
17. Add:			
A. Drafts for immediate credit	\$	<u>3800</u>	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	<u>3810</u>	
C. Other unrecorded amounts (List)	\$	<u>3820</u>	<u>3830</u>
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1 (c) (1) (vii))	\$		<u>3838</u>
19. Total aggregate indebtedness	\$	<u>2573</u>	<u>3840</u>
Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	<u>.008</u>	<u>3850</u>
Percentage of Aggregate indebtedness to net capital <u>after</u> anticipated capital withdrawals (line 19 ÷ by line 10 less item 4880 page 11)	%		<u>3853</u>

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

22. 2% of combined aggregate debt: items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debts	\$		<u>3870</u>
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		<u>3880</u>
24. Net capital requirement (greater of line 22 or 23)	\$		<u>3760</u>
25. Excess net capital (line 10 less 24)	\$		<u>3910</u>
26. Percentage of Net Capital to Aggregate Debts (line 10 ÷ by line 17 page 8)	%		<u>3851</u>
27. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debts (line 10 less item 4880 page 11 ÷ by line 17 page 8)	%		<u>3854</u>
28. Net capital in excess of the greater of:			
A. 5% of combined aggregate debt items or \$120,000	\$		<u>3920</u>

OTHER RATIOS

Part C

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%		<u>3860</u>
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ÷ Net Capital	%		<u>3852</u>

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
 2. 6-2/3% of aggregate indebtedness or 2% of aggregate debts if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

TRANSMITTAL SECURITIES CARD

For the period (MMDDYY) from 11/03 to 12/03
Number of months included in this statement: 12

STATEMENT OF INCOME (LOSS)

REVENUE

1. Commissions:

a. Commissions on transactions in listed equity securities executed on an exchange	\$	3935
b. Commissions on transactions in exchange listed equity securities executed over-the-counter		3937
c. Commissions on listed option transactions		3938
d. All other securities commissions		3939
e. Total securities commissions		3940

2. Gains or losses on firm securities trading accounts

a. From market making in over-the-counter equity securities		3941
i. Includes gains or (losses) OTC market making in exchange listed equity securities	3943	
b. From trading in debt securities		3944
c. From market making in options on a national securities exchange		3945
d. From all other trading	93187	3949
e. Total gains or (losses)	93187	3950

3. Gains or losses on firm securities investment accounts

a. Includes realized gains (losses)	4235	
b. Includes unrealized gains (losses)	4236	
c. Total realized and unrealized gains (losses)		3952

4. Profits or (losses) from underwriting and selling groups

a. Includes underwriting income from corporate equity securities	4237	3955
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5. Margin interest

3960

6. Revenue from sale of investment company shares

3970

7. Fees for account supervision, investment advisory and administrative services

3975

8. Revenue from research services

3980

9. Commodities revenue

3990

10. Other revenue related to securities business

3985

11. Other revenue

INT. & DIV.

17441

3995

12. Total revenue

110628

4030

EXPENSES

Registered representatives' compensation	\$	4110
14. Clerical and administrative employees' expenses	67513	4040
15. Salaries and other employment costs for general partners, and voting stockholder officers		4120
a. Includes interest credited to General and Limited Partners capital accounts	4130	
16. Floor brokerage paid to certain brokers (see definition)		4055
17. Commissions and clearance paid to all other brokers (see definition)		4145
18. Clearance paid to non-brokers (see definition)		4135
19. Communications	603	4080
20. Occupancy and equipment costs	14674	4080
21. Promotional costs		4150
22. Interest expense		4075
a. Includes interest on accounts subject to subordination agreements	4070	
23. Losses in error account and bad debts		4170
24. Data processing costs (including service bureau service charges)		4186
25. Non-recurring charges		4190
26. Regulatory fees and expenses	3314	4185
27. Other expenses	55790	4100
28. Total expenses	141894	4200

NET INCOME

29. Income (loss) before Federal income taxes and items below (Item 12 less Item 28)	\$ (31266)	4210
30. Provision for Federal income taxes (for parent only)		4220
31. Equity in earnings (losses) of unconsolidated subsidiaries not included above		4222
a. After Federal income taxes of	4238	
32. Extraordinary gains (losses)		4224
a. After Federal income taxes of	4239	
Cumulative effect of changes in accounting principles		4225
34. Net income (loss) after Federal income taxes and extraordinary items	\$	4230

MONTHLY INCOME

35. Income (current month only) before provision for Federal income taxes and extraordinary items	\$ (7283)	4211
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BROKER OR DEALER

TRANSMITTAL SECURITIES COAP

as of

12/31/03

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
FOR BROKER-DEALERS UNDER RULE 15c3-3
(See Rule 15c3-3, Exhibit A and Related Notes)

CREDIT BALANCES

1. Free credit balances and other credit balances in customers' security accounts (see Note A, Exhibit A, Rule 15c3-3)	\$	4340
2. Monies borrowed collateralized by securities carried for the accounts of customers (see Note B)		4350
3. Monies payable against customers' securities loaned (see Note C)		4360
4. Customers' securities failed to receive (see Note D)		4370
5. Credit balances in firm accounts which are attributable to principal sales to customers		4380
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days		4390
7. **Market value of short security count differences over 30 calendar days old		4400
8. **Market value of short securities and credits (not to be offset by longs or by debits) in all suspense accounts over 30 calendar days		4410
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days		4420
10. Other (List)		4425
11. TOTAL CREDITS	\$	4430

DEBIT BALANCES

12. **Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to Note E, Exhibit A, Rule 15c3-3	\$	4440
13. Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver		4450
14. Failed to deliver of customers' securities not older than 30 calendar days		4480
15. Margin required and on deposit with the Options Clearing Corporation for all option contracts written or purchased in customer accounts (See Note F)		4465
16. Other (List)		4469
17. **Aggregate debit items	\$	4470
18. **less 3% (for alternative method only — see Rule 15c3-1 (f) (5) (ii))		4470
19. **TOTAL 15c3-3 DEBITS	\$	4470

RESERVE COMPUTATION

20. Excess of total debits over total credits (line 19 less line 11)	\$	4480
21. Excess of total credits over total debits (line 11 less line 19)		4490
22. If computation permitted on a monthly basis, enter 105% of excess of total credits over total debits		4500
23. Amount held on deposit in "Reserve Bank Account(s)", including value of qualified securities, at end of reporting period		97537 4510
24. Amount of deposit (or withdrawal) including \$ 4515 value of qualified securities		4520
25. New amount in Reserve Bank Account(s) after adding deposit or subtracting withdrawal including \$ 4525 value of qualified securities	\$	4530
26. Date of deposit (MMDDYY)		4540

OMIT PENNIE

FREQUENCY OF COMPUTATION

27. Daily ☒ 4332 Weekly ☐ 4333 Monthly ☒ 4334

**In the event the Net Capital Requirement is computed under the alternative method this "Reserve Formula" shall be prepared in accordance with the requirements of paragraph (f) of Rule 15c3-1.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

TRANSMITTAL SECURITIES CORP.

as of

12/15/03

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
FOR BROKER-DEALERS UNDER RULE 15c3-3 (continued)**

EXEMPTIVE PROVISIONS

28. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- | | |
|---|------|
| A. (k) (1)—\$2,500 capital category as per Rule 15c3-1 | 4550 |
| B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained | 4560 |
| C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm | 4570 |
| D. (k) (3)—Exempted by order of the Commission | 4580 |

Information for Possession or Control Requirements Under Rule 15c3-3

State the market valuation and the number of items of:

- | | |
|--|------------------|
| 1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3. Notes A and B | \$ 4586 |
| A. Number of Items | 4587 |
| 2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3. Notes B, C and D | \$ 4588 |
| A. Number of Items | 4589 |
| OMIT PENNIES | |
| 3. The system and procedures utilized in complying with the requirement to maintain physical possession or control of customers' fully paid and excess margin securities have been tested and are functioning in a manner adequate to fulfill the requirements of Rule 15c3-3 | Yes 4584 No 4585 |

NOTES

- A—Do not include in item one customers' fully paid and excess margin securities required by Rule 15c3-3 to be in possession or control but for which no action was required by the respondent as of the report date or required action was taken by respondent within the time frames specified under Rule 15c3-3.
- B—State separately in response to items one and two whether the securities reported in response thereto were subsequently reduced to possession or control by the respondent.
- C—Be sure to include in item two only items not arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.
- D—Item two must be responded to only with report which is filed as of the date selected for the broker's or dealer's annual audit of financial statements, whether or not such date is the end of a calendar quarter. The response to item two should be filed within 60 calendar days after such date, rather than with the remainder of this report. This information may be required on a more frequent basis by the Commission or the designated examining authority in accordance with Rule 17a-5(a)(2)(iv).

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

TRANSMITTAL SECURITIES CORP as of 12/31/03

SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION

CUSTOMERS' REGULATED COMMODITY FUTURES ACCOUNTS

SEGREGATION REQUIREMENTS

1. Net ledger balance:		
A. Cash	N/A	7010
B. Securities (at market)		7020
2. Net unrealized profit (loss) in open futures contracts traded on a contract market		7030
3. Exchange traded options:		
A. Add: Market Value of open option contracts purchased on a contract market		7032
B. Deduct: Market Value of open option contracts granted (sold) on a contract market		7033
4. Net equity (deficit) (total of 1, 2 and 3)		7040
5. Add accounts liquidating to a deficit and accounts with debit balances with no open trades		7050
6. Amount required to be segregated (total of 4 and 5)		7060

FUNDS ON DEPOSIT IN SEGREGATION

7. Deposited in segregated funds bank accounts:		
A. Cash		7070
B. Securities representing investments of customers' funds (at market)		7080
C. Securities held for particular customers or option customers in lieu of cash (at market)		7090
8. Margins on deposit with clearing organizations of contract markets:		
A. Cash		7100
B. Securities representing investments of customers' funds (at market)		7110
C. Securities held for particular customers or option customers in lieu of cash (at market)		7120
9. Settlement due from (to) clearing organizations of contract markets		7130
10. Exchange traded options:		
A. Add: Unrealized receivables for option contracts purchased on contract markets		7132
B. Deduct: Unrealized obligations for option contracts granted (sold) on contract markets		7133
11. Net equities with other FCMs		7140
12. Segregated funds on hand:		
A. Cash		7150
B. Securities representing investments of customers' funds (at market)		7160
C. Securities held for particular customers in lieu of cash (at market)		7170
13. Total amount in segregation (total of 7 through 12)	\$	7180
14. Excess (insufficiency) funds in segregation (13 minus 6)	\$	7190

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

TRANSMITTAL SECURITIES

as of

12/31/93

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)
4600		4601	4602 \$	4603	4604 4605
4610		4611	4612	4613	4614 4615
4620		4621	4622	4623	4624 4625
4630		4631	4632	4633	4634 4635
4640		4641	4642	4643	4644 4645
4650		4651	4652	4653	4654 4655
4660		4661	4662	4663	4664 4665
4670		4671	4672	4673	4674 4675
4680		4681	4682	4683	4684 4685
4690		4691	4692	4693	4694 4695

TOTAL \$ **NONE** 4699*

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*To agree with the total on Recap (Item No. 4880)

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c)(2)(iv) Liabilities

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

Capital Withdrawals

PART II

BROKER OR DEALER

TRANSMITTAL SECURITIES CORP

For the period (MMDDYY) from

11/1/03 to 12/31/03

RECAP

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, which have not been deducted in the computation of net capital.

1. Equity Capital

A. Partnership Capital:

1. General Partners	\$	4700
2. Limited		4710
3. Undistributed Profits		4720
4. Other (describe below)		4730
5. Sole Proprietorship		4735

B. Corporation Capital:

1. Common Stock		4740
2. Preferred Stock		4750
3. Retained Earnings (Dividends and Other)	\$	4760
4. Other (describe below)		4770

2. Subordinated Liabilities

A. Secured Demand Notes		4780
B. Cash Subordinations		4790
C. Debentures		4800
D. Other (describe below)		4810

3. Other Anticipated Withdrawals

A. Bonuses		4820
B. Voluntary Contributions to Pension or Profit Sharing Plans	\$	4860
C. Other (describe below)		4870

Total \$ 4880

4. Description of Other

STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period	\$	343664	4240
A. Net income (loss)		(31266)	4250
B. Additions (Includes non-conforming capital of	\$	4262	4260
C. Deductions (Includes non-conforming capital of	\$	4272	4270
2. Balance, end of period (From Item 1800)	\$	312398	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period	\$		4300
A. Increases			4310
B. Decreases	(4320
4. Balance, end of period (From item 3520)	\$		4330

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART II

BROKER OR DEALER

TRANSMITTAL SECURITIES CORP

as of 12/31/03

FINANCIAL AND OPERATIONAL DATA

<p>1. Month end total number of stock record breaks unresolved over three business days</p> <p>A. break long \$ 4890</p> <p>B. break short \$ 4910</p> <p>2. Is the firm in compliance with Rule 17a-13 regarding periodic count and verification of securities positions and locations at least once in each calendar quarter? (Check one) Yes <input checked="" type="checkbox"/> 4930 No <input type="checkbox"/> 4940</p> <p>A. If response is negative attach explanation of steps being taken to comply with Rule 17a-13.</p> <p>3. Personnel employed at end of reporting period:</p> <p>A. Income producing personnel 4950</p> <p>B. Non-income producing personnel (all other) 4960</p> <p>C. Total 4970</p> <p>4. Actual number of tickets executed during current month of reporting period 25 4980</p> <p>5. Number of corrected customer confirmations mailed after settlement date 4990</p>	<table border="0" style="width: 100%;"> <tr> <th style="text-align: left; width: 30%;">No. of Items</th> <th style="text-align: left; width: 20%;">Debit (Short Value)</th> <th style="text-align: left; width: 30%;">No. of Items</th> <th style="text-align: left; width: 20%;">Credit (Long Value)</th> </tr> <tr> <td>6. Money differences 5000</td> <td>\$ 5010</td> <td>5020</td> <td>\$ 5030</td> </tr> <tr> <td>7. Security suspense accounts 5040</td> <td>\$ 5050</td> <td>5060</td> <td>\$ 5070</td> </tr> <tr> <td>8. Security difference accounts 5080</td> <td>\$ 5090</td> <td>5100</td> <td>\$ 5110</td> </tr> <tr> <td>9. Commodity suspense accounts 5120</td> <td>\$ 5130</td> <td>5140</td> <td>\$ 5150</td> </tr> </table> <p>10. Open transactions with correspondents, other brokers, clearing organizations, depositories and interoffice and intercompany accounts which could result in a charge-unresolved amounts over 30 calendar days 5160 \$ 5170 5180 \$ 5190</p> <p>11. Bank account reconciliations-unresolved amounts over 30 calendar days 5200 \$ 5210 5220 \$ 5230</p> <p>12. Open transfers over 40 calendar days, not confirmed 5240 \$ 5250 5260 \$ 5270</p> <p>13. Transactions in reorganization accounts over 60 calendar days 5280 \$ 5290 5300 \$ 5310</p> <p>14. Total 5320 \$ 5330 5340 \$ 5350</p> <table border="0" style="width: 100%;"> <tr> <th style="text-align: left; width: 30%;">No. of Items</th> <th style="text-align: left; width: 20%;">Ledger Amount</th> <th style="text-align: left; width: 50%;">Market Value</th> </tr> <tr> <td>to deliver 5 business days or longer (21 business day or more in the case of Municipal Securities) 5360</td> <td>\$ 5361</td> <td>\$ 5362</td> </tr> <tr> <td>to receive 5 business days or longer (21 business day or more in this case of Municipal Securities) 5363</td> <td>\$ 5364</td> <td>\$ 5365</td> </tr> </table> <p>17. Security concentrations (See instructions in Part I)</p> <p>A. Proprietary positions \$ N/A 5370</p> <p>B. Customers' accounts under Rule 15c3-3 \$ N/A 5374</p> <p>18. Total of personal capital borrowings due within six months \$ N/A 5378</p> <p>19. Maximum haircuts on underwriting commitments during the period \$ N/A 5380</p> <p>20. Planned capital expenditures for business expansion during next six months \$ N/A 5382</p> <p>21. Liabilities of other individuals or organizations guaranteed by respondent \$ N/A 5384</p> <p>22. Lease and rentals payable within one year \$ 14916 5386</p> <p>23. Aggregate lease and rental commitments payable for entire term of the lease</p> <p>A. Gross \$ N/A 5388</p> <p>B. Net \$ N/A 5390</p>	No. of Items	Debit (Short Value)	No. of Items	Credit (Long Value)	6. Money differences 5000	\$ 5010	5020	\$ 5030	7. Security suspense accounts 5040	\$ 5050	5060	\$ 5070	8. Security difference accounts 5080	\$ 5090	5100	\$ 5110	9. Commodity suspense accounts 5120	\$ 5130	5140	\$ 5150	No. of Items	Ledger Amount	Market Value	to deliver 5 business days or longer (21 business day or more in the case of Municipal Securities) 5360	\$ 5361	\$ 5362	to receive 5 business days or longer (21 business day or more in this case of Municipal Securities) 5363	\$ 5364	\$ 5365
No. of Items	Debit (Short Value)	No. of Items	Credit (Long Value)																											
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to receive 5 business days or longer (21 business day or more in this case of Municipal Securities) 5363	\$ 5364	\$ 5365																												

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FORM X-17A-5

FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

Schedule I

INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17a-5

Report for the Calendar Year 19 8004
or if less than 12 months

Report for the period beginning 01/01/03 8005 and ending 12/31/03 8006
MM DD YY MM DD YY

SEC FILE NUMBER	
8-12-003602	8011

NAME OF BROKER DEALER <u>TRANSMITTAL SECURITIES CORP.</u>	<u>8020</u>	<u>N</u> <u>9</u>	OFFICIAL USE ONLY	<u>8021</u>
Firm No. M M Y Y				

Name(s) of broker-dealer(s) merging with respondent during reporting period:

NAME:	<u>8053</u>	OFFICIAL USE ONLY	<u>8057</u>
NAME:	<u>8054</u>	<u>748</u>	<u>8058</u>
NAME:	<u>8055</u>		<u>8059</u>
NAME:	<u>8056</u>		<u>8060</u>

Respondent conducts a securities business exclusively with registered broker-dealers:
(enter applicable code: 1=Yes 2=No) 2 8073

Respondent is registered as a specialist on a national securities exchange:
(enter applicable code: 1=Yes 2=No) 2 8074

Respondent makes markets in the following securities:

(a) equity securities (enter applicable code: 1=Yes 2=No) 2 8075

(b) municipals (enter applicable code: 1=Yes 2=No) 2 8076

(c) other debt instruments (enter applicable code: 1=Yes 2=No) 1 8077

Respondent is registered solely as a municipal bond dealer:
(enter applicable code: 1=Yes 2=No) 2 8078

Respondent is an insurance company or an affiliate of an insurance company:
(enter applicable code: 1=Yes 2=No) 2 8079

Respondent carries its own public customer accounts:
(enter applicable code: 1=Yes 2=No) 1 8084

Respondent's total number of public customers accounts:
(carrying firms filing X-17A-5 Part II only)

(a) Public customer accounts 190 8080

(b) Omnibus accounts 0 8081

Respondent clears its public customer and/or proprietary accounts:
(enter applicable code: 1=Yes 2=No) 1 8085

FOCUS REPORT

Schedule I

page 2

Respondent clears its public customer accounts in the following manner:

(enter a "1" in appropriate boxes)

- (a) Direct Mail (New York Stock Exchange Members Only) ☐ 2 ☐ 8086
- (b) Self-Clearing ☐ 1 ☐ 8087
- (c) Omnibus ☐ 2 ☐ 8088
- (d) Introducing ☐ 2 ☐ 8089
- (e) Other ☐ 2 ☐ 8090

If Other please describe:

- (f) Not applicable ☐ ☐ 8091

2. (a) Respondent maintains membership(s) on national securities exchange(s):

(enter applicable code: 1=Yes 2=No)

- (b) Names of national securities exchange(s) in which respondent maintains memberships:

(enter a "1" in appropriate boxes)

- (1) American ☐ ☐ 8120
- (2) Boston ☐ ☐ 8121
- (3) CBOE ☐ ☐ 8122
- (4) Midwest ☐ 1 ☐ 8123
- (5) New York ☐ ☐ 8124
- (6) Philadelphia ☐ ☐ 8125
- (7) Pacific Coast ☐ ☐ 8126
- (8) Other ☐ ☐ 8129

3. Employees:

- (a) Number of full-time employees ☐ 4 ☐ 8101

- (b) Number of full-time registered representatives employed by respondent included in 13 (a) ☐ 1 ☐ 8102

4. Number of NASDAQ stocks respondent makes market ☐ 0 ☐ 8103

5. Total number of underwriting syndicates respondent was a member ☐ 0 ☐ 8104

(Carrying or clearing firms filing X-17A-5 Part II)

6. Number of respondent's public customer transactions: Actual ☐ 190 ☐ 8105
- Estimate ☐ ☐ 8106

- (a) equity securities transactions effected on a national securities exchange ☐ 0 ☐ 8107

- (b) equity securities transactions effected other than on a national securities exchange ☐ 0 ☐ 8108

- (c) commodity, bond, option, and other transactions effected on or off a national securities exchange ☐ 190 ☐ 8109

FOCUS REPORT

Schedule I

page 3

17. Respondent is a member of the Securities Investor Protection Corporation

(enter applicable code: 1=Yes 2=No) ☐ 1 ☒ 2 8111

18. Number of branch offices operated by respondent

☐ 1 ☒ 2 ☐ 3 ☐ 4 8112

19. Respondent is an affiliate or subsidiary of a foreign broker-dealer or bank

(enter applicable code: 1=Yes 2=No) ☐ 1 ☒ 2 8113

20. (a) Respondent is a subsidiary of a registered broker-dealer

(enter applicable code: 1=Yes 2=No) ☐ 1 ☒ 2 8114

(b) Name of parent ¹² ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10 ☐ 11 ☐ 12 ☐ 13 ☐ 14 ☐ 15 ☐ 16 ☐ 17 ☐ 18 ☐ 19 ☐ 20 ☐ 21 ☐ 22 ☐ 23 ☐ 24 ☐ 25 ☐ 26 ☐ 27 ☐ 28 ☐ 29 ☐ 30 ☐ 31 ☐ 32 ☐ 33 ☐ 34 ☐ 35 ☐ 36 ☐ 37 ☐ 38 ☐ 39 ☐ 40 ☐ 41 ☐ 42 ☐ 43 ☐ 44 ☐ 45 ☐ 46 ☐ 47 ☐ 48 ☐ 49 ☐ 50 ☐ 51 ☐ 52 ☐ 53 ☐ 54 ☐ 55 ☐ 56 ☐ 57 ☐ 58 ☐ 59 ☐ 60 ☐ 61 ☐ 62 ☐ 63 ☐ 64 ☐ 65 ☐ 66 ☐ 67 ☐ 68 ☐ 69 ☐ 70 ☐ 71 ☐ 72 ☐ 73 ☐ 74 ☐ 75 ☐ 76 ☐ 77 ☐ 78 ☐ 79 ☐ 80 ☐ 81 ☐ 82 ☐ 83 ☐ 84 ☐ 85 ☐ 86 ☐ 87 ☐ 88 ☐ 89 ☐ 90 ☐ 91 ☐ 92 ☐ 93 ☐ 94 ☐ 95 ☐ 96 ☐ 97 ☐ 98 ☐ 99 ☐ 100 ☐ 101 ☐ 102 ☐ 103 ☐ 104 ☐ 105 ☐ 106 ☐ 107 ☐ 108 ☐ 109 ☐ 110 ☐ 111 ☐ 112 ☐ 113 ☐ 114 ☐ 115 ☐ 116 ☐ 117 ☐ 118 ☐ 119 ☐ 120 ☐ 121 ☐ 122 ☐ 123 ☐ 124 ☐ 125 ☐ 126 ☐ 127 ☐ 128 ☐ 129 ☐ 130 ☐ 131 ☐ 132 ☐ 133 ☐ 134 ☐ 135 ☐ 136 ☐ 137 ☐ 138 ☐ 139 ☐ 140 ☐ 141 ☐ 142 ☐ 143 ☐ 144 ☐ 145 ☐ 146 ☐ 147 ☐ 148 ☐ 149 ☐ 150 ☐ 151 ☐ 152 ☐ 153 ☐ 154 ☐ 155 ☐ 156 ☐ 157 ☐ 158 ☐ 159 ☐ 160 ☐ 161 ☐ 162 ☐ 163 ☐ 164 ☐ 165 ☐ 166 ☐ 167 ☐ 168 ☐ 169 ☐ 170 ☐ 171 ☐ 172 ☐ 173 ☐ 174 ☐ 175 ☐ 176 ☐ 177 ☐ 178 ☐ 179 ☐ 180 ☐ 181 ☐ 182 ☐ 183 ☐ 184 ☐ 185 ☐ 186 ☐ 187 ☐ 188 ☐ 189 ☐ 190 ☐ 191 ☐ 192 ☐ 193 ☐ 194 ☐ 195 ☐ 196 ☐ 197 ☐ 198 ☐ 199 ☐ 200 ☐ 201 ☐ 202 ☐ 203 ☐ 204 ☐ 205 ☐ 206 ☐ 207 ☐ 208 ☐ 209 ☐ 210 ☐ 211 ☐ 212 ☐ 213 ☐ 214 ☐ 215 ☐ 216 ☐ 217 ☐ 218 ☐ 219 ☐ 220 ☐ 221 ☐ 222 ☐ 223 ☐ 224 ☐ 225 ☐ 226 ☐ 227 ☐ 228 ☐ 229 ☐ 230 ☐ 231 ☐ 232 ☐ 233 ☐ 234 ☐ 235 ☐ 236 ☐ 237 ☐ 238 ☐ 239 ☐ 240 ☐ 241 ☐ 242 ☐ 243 ☐ 244 ☐ 245 ☐ 246 ☐ 247 ☐ 248 ☐ 249 ☐ 250 ☐ 251 ☐ 252 ☐ 253 ☐ 254 ☐ 255 ☐ 256 ☐ 257 ☐ 258 ☐ 259 ☐ 260 ☐ 261 ☐ 262 ☐ 263 ☐ 264 ☐ 265 ☐ 266 ☐ 267 ☐ 268 ☐ 269 ☐ 270 ☐ 271 ☐ 272 ☐ 273 ☐ 274 ☐ 275 ☐ 276 ☐ 277 ☐ 278 ☐ 279 ☐ 280 ☐ 281 ☐ 282 ☐ 283 ☐ 284 ☐ 285 ☐ 286 ☐ 287 ☐ 288 ☐ 289 ☐ 290 ☐ 291 ☐ 292 ☐ 293 ☐ 294 ☐ 295 ☐ 296 ☐ 297 ☐ 298 ☐ 299 ☐ 300 ☐ 301 ☐ 302 ☐ 303 ☐ 304 ☐ 305 ☐ 306 ☐ 307 ☐ 308 ☐ 309 ☐ 310 ☐ 311 ☐ 312 ☐ 313 ☐ 314 ☐ 315 ☐ 316 ☐ 317 ☐ 318 ☐ 319 ☐ 320 ☐ 321 ☐ 322 ☐ 323 ☐ 324 ☐ 325 ☐ 326 ☐ 327 ☐ 328 ☐ 329 ☐ 330 ☐ 331 ☐ 332 ☐ 333 ☐ 334 ☐ 335 ☐ 336 ☐ 337 ☐ 338 ☐ 339 ☐ 340 ☐ 341 ☐ 342 ☐ 343 ☐ 344 ☐ 345 ☐ 346 ☐ 347 ☐ 348 ☐ 349 ☐ 350 ☐ 351 ☐ 352 ☐ 353 ☐ 354 ☐ 355 ☐ 356 ☐ 357 ☐ 358 ☐ 359 ☐ 360 ☐ 361 ☐ 362 ☐ 363 ☐ 364 ☐ 365 ☐ 366 ☐ 367 ☐ 368 ☐ 369 ☐ 370 ☐ 371 ☐ 372 ☐ 373 ☐ 374 ☐ 375 ☐ 376 ☐ 377 ☐ 378 ☐ 379 ☐ 380 ☐ 381 ☐ 382 ☐ 383 ☐ 384 ☐ 385 ☐ 386 ☐ 387 ☐ 388 ☐ 389 ☐ 390 ☐ 391 ☐ 392 ☐ 393 ☐ 394 ☐ 395 ☐ 396 ☐ 397 ☐ 398 ☐ 399 ☐ 400 ☐ 401 ☐ 402 ☐ 403 ☐ 404 ☐ 405 ☐ 406 ☐ 407 ☐ 408 ☐ 409 ☐ 410 ☐ 411 ☐ 412 ☐ 413 ☐ 414 ☐ 415 ☐ 416 ☐ 417 ☐ 418 ☐ 419 ☐ 420 ☐ 421 ☐ 422 ☐ 423 ☐ 424 ☐ 425 ☐ 426 ☐ 427 ☐ 428 ☐ 429 ☐ 430 ☐ 431 ☐ 432 ☐ 433 ☐ 434 ☐ 435 ☐ 436 ☐ 437 ☐ 438 ☐ 439 ☐ 440 ☐ 441 ☐ 442 ☐ 443 ☐ 444 ☐ 445 ☐ 446 ☐ 447 ☐ 448 ☐ 449 ☐ 450 ☐ 451 ☐ 452 ☐ 453 ☐ 454 ☐ 455 ☐ 456 ☐ 457 ☐ 458 ☐ 459 ☐ 460 ☐ 461 ☐ 462 ☐ 463 ☐ 464 ☐ 465 ☐ 466 ☐ 467 ☐ 468 ☐ 469 ☐ 470 ☐ 471 ☐ 472 ☐ 473 ☐ 474 ☐ 475 ☐ 476 ☐ 477 ☐ 478 ☐ 479 ☐ 480 ☐ 481 ☐ 482 ☐ 483 ☐ 484 ☐ 485 ☐ 486 ☐ 487 ☐ 488 ☐ 489 ☐ 490 ☐ 491 ☐ 492 ☐ 493 ☐ 494 ☐ 495 ☐ 496 ☐ 497 ☐ 498 ☐ 499 ☐ 500 ☐ 501 ☐ 502 ☐ 503 ☐ 504 ☐ 505 ☐ 506 ☐ 507 ☐ 508 ☐ 509 ☐ 510 ☐ 511 ☐ 512 ☐ 513 ☐ 514 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TRANSMITTAL SECURITIES CORP.

FINANCIAL STATEMENTS

DECEMBER 31, 2003



BERNATH & ROSENBERG, P.C.
CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL PLANNERS

James H. Bernath CPA/PFS, CFP
Jacob I. Rosenberg CPA/PFS, CFP

1140 Avenue of the Americas
New York, NY 10036-5803
Tel: (212) 221-1140
Fax: (212) 221-1944

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
TRANSMITTAL SECURITIES CORP.
New York, NY

We have audited the accompanying statement of financial condition of **TRANSMITTAL SECURITIES CORP.**, a New York corporation, as of December 31, 2003 and the related statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **TRANSMITTAL SECURITIES CORP.**, as of December 31, 2003 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Bernath & Rosenberg, P.C.
BERNATH & ROSENBERG, P.C.
Certified Public Accountant

New York, NY
February 10, 2003

TRANSMITTAL SECURITIES CORP.
Statement of Financial Condition
As at December 31, 2003

ASSETS

Current Assets	
Cash in Banks	\$ 184,537
Securities Owned at Market Value	8,208
Receivable From Brokers	23,000
	<hr/>
Total Current Assets	215,745
Other Assets:	
Special Reserve Account for Exclusive Benefit of Customers (Note 2)	97,537
Sundry Assets	1,689
	<hr/>
Total Other Assets	99,226
	<hr/>
TOTAL ASSETS	<u><u>\$ 314,971</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities	
Accrued Expenses and Taxes Payable	2,573
	<hr/>
Total Current Liabilities	2,573
	<hr/>
Total Liabilities	2,573
Stockholders' Equity	
Common Stock, No Par Value	
200 Shares Authorized and Issued	50,000
Additional Paid-in Capital	90,000
Retained Earnings	172,398
	<hr/>
Total Stockholder's Equity	312,398
	<hr/>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 314,971</u></u>

See Notes to Financial Statements

TRANSMITTAL SECURITIES CORP.
Statement of Income and Retained Earnings
For the Year Ended December 31, 2003

INCOME:

Trading Income	\$ 92,714
World Trade Center Grant	1,418
Service Fee and Commission	473
Dividends and interest	16,023

Total Income	<u>110,628</u>
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EXPENSES:

Office Salaries	67,513
Registration and Filing Fees	3,314
Telephone	603
Rent	14,674
Subscriptions	1,283
Professional Fees	19,831
Office Expense	1,657
Utilities	2,635
Payroll Taxes	5,468
Bank Charges and Fees	2,266
Insurance	19,335
Advertising	25
Miscellaneous	2,610

Total Expenses	<u>141,214</u>
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Net loss Before Provision for Taxes	(30,586)
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Provision for State and Local Corporate Income Taxes	<u>681</u>
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Net Loss	(31,267)
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Retained Earnings - Beginning	<u>203,665</u>
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Retained Earnings - Ending	<u><u>\$ 172,398</u></u>
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See Notes to Financial Statements

TRANSMITTAL SECURITIES CORP.
Statement of Cash Flows
For the Year Ended December 31, 2003

Cash flows from operating activities:

Net loss	\$(31,267)
<hr/>	
Changes in assets and liabilities:	
Inventory of Securities	11,895
Due from Broker	(19,800)
Reserve Account	(1,272)
Accrued Expenses, Taxes & Sundry Taxables	1,595
<hr/>	
Total adjustments	(7,582)
Net Cash Used in Operations	(38,849)
<hr/>	
Net Decrease in Cash	(38,849)
Cash at January 1, 2003	223,386
<hr/>	
Cash at December 31, 2003	\$ 184,537

Supplementary Disclosures:

Cash paid during the year for:
Income Taxes

\$ 481

See Notes to Financial Statements

TRANSMITTAL SECURITIES CORP.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its financial statements and its income tax reports on the accrual basis. Securities on hand is recorded at market value as required for broker-dealers.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company is engaged in brokerage activities whose counter parties consist of registered brokers or dealers. In the event, counter parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party. It is the Company's policy to review, as necessary, the credit standing of each counter-party with which it conducts business.

The Company has cash balances in banks in excess of the maximum amount insured by the Federal Deposit Insurance Corporation as of December 31, 2003.

NOTE 2 - SPECIAL RESERVE ACCOUNT

The reserve account of \$97,537.16 is in excess of reserve requirements.

NOTE 3 - CAPITAL REQUIREMENTS

The concept of the Net Capital Rule of the Securities Exchange Commission is liquidity, and requires a broker dealer to have sufficient liquid assets to cover liabilities. At December 31, 2003, the firm's net capital of \$307,442 computed in accordance with the Rule, exceeded the minimum requirement of \$250,000.

NOTE 4 - INTERNAL CONTROL

No material inadequacies in the firm's internal control were found to exist.

NOTE 5 - SECURITIES

Securities consist of marketable equity securities at quoted market values.

NOTE 6 - FORM X-17A-5

Part II of the most recent annual report on Form X-17A-5 of the corporation is available for examination and copying at its principal office at 82 Wall Street, New York, New York 10005, and at the Securities Exchange Commission.

NOTE 7 -

The Company leases space at 82 Wall Street, New York, N.Y. on a month to month basis, no formal lease exists.

See Auditors' Report.



BERNATH & ROSENBERG, P.C.
CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL PLANNERS

James H. Bernath CPA/PFS, CFP
Jacob I. Rosenberg CPA/PFS, CFP

1140 Avenue of the Americas
New York, NY 10036-5803
Tel: (212) 221-1140
Fax: (212) 221-1944

February 10, 2004

NASD Regulation, Inc.
District 10
NASD Financial Center
33 Whitehall Street
New York, NY 10004-2193

RE: Transmittal Securities Corporation

Gentlemen:

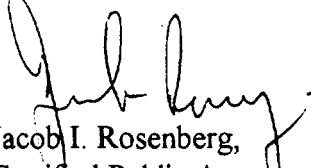
Please be advised that no material differences exist within the audited computation of net capital and the firm's corresponding unaudited FOCUS Report Part II.

Also, please be advised that no material differences exist between the audited computation of 15c3-3 reserve requirements and the firm's corresponding unaudited FOCUS Report Part II.

Also, please be advised that the company meets the requirements under SEC Rule 15c3-3 with respect to the information relating to the possession or control requirements.

Sincerely,

BERNATH & ROSENBERG, P.C.


Jacob I. Rosenberg,
Certified Public Accountant

cc: Transmittal
sb
enclosure